FINANCIAL REPORT
FIRST THREE QUARTERS OF 2013

Joint order for ANDRITZ and Schuler: In order to expand its rail division, Kardemir, Turkey, ordered a Schuler manufacturing line for an annual production of up to 200,000 railway wheels (the drawing shows a Turkish State Railways high-speed train). As the system supplier, Schuler is also delivering machining equipment, and the testing and inspection technology, while the heat treatment plant will be supplied by ANDRITZ.

KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

	Unit	Q1-Q3 2013	Q1-Q3 2012	+/-	Q3 2013	Q3 2012	+/-	2012
Order intake	MEUR	4,051.3	3,793.2	+6.8%	1,525.3	1,238.8	+23.1%	4,924.4
Order backlog (as of end of period)	MEUR	7,464.5	6,929.8	+7.7%	7,464.5	6,929.8	+7.7%	6,614.8
Sales	MEUR	4,144.6	3,703.3	+11.9%	1,534.5	1,265.5	+21.3%	5,176.9
Return on sales[1]	%	2.8	6.1	-	3.3	6.4	-	6.5
EBITDA[2]	MEUR	229.3	286.1	-19.9%	93.3	101.4	-8.0%	418.6
EBITA[3]	MEUR	167.0	242.1	-31.0%	70.1	86.5	-19.0%	357.8
Earnings Before Interest and Taxes (EBIT)	MEUR	116.2	224.0	-48.1%	50.3	80.9	-37.8%	334.5
Earnings Before Taxes (EBT)	MEUR	110.8	231.0	-52.0%	48.0	81.2	-40.9%	331.6
Net income (including non-controlling interests)	MEUR	77.6	166.2	-53.3%	32.8	58.7	-44.1%	242.2
Net income (without non-controlling interests)	MEUR	78.8	167.2	-52.9%	31.9	58.5	-45.5%	243.6
Cash flow from operating activities	MEUR	-81.1	221.8	-136.6%	5.4	106.7	-94.9%	346.5
Capital expenditure[4]	MEUR	65.5	52.3	+25.2%	21.1	17.8	+18.5%	109.1
Employees (as of end of period; without apprentices)	-	23,939	17,686	+35.4%	23,939	17,686	+35.4%	17,865
Fixed assets	MEUR	1,744.4	1,285.1	+35.7%	1,744.4	1,285.1	+35.7%	1,390.5
Current assets	MEUR	3,610.7	3,818.6	-5.4%	3,610.7	3,818.6	-5.4%	3,770.5
Shareholders' equity[5]	MEUR	961.7	989.7	-2.8%	961.7	989.7	-2.8%	1,033.8
Provisions	MEUR	917.4	688.1	+33.3%	917.4	688.1	+33.3%	725.4
Liabilities	MEUR	3,476.0	3,425.9	+1.5%	3,476.0	3,425.9	+1.5%	3,401.8
Total assets	MEUR	5,355.1	5,103.7	+4.9%	5,355.1	5,103.7	+4.9%	5,161.0
Equity ratio[6]	%	18.0	19.4	-	18.0	19.4	-	20.0
Return on equity[7]	%	11.5	23.3	-	5.0	8.2	-	32.1
Return on investment[8]	%	2.2	4.4	-	0.9	1.6	-	6.5
Liquid funds[9]	MEUR	1,410.9	2,059.3	-31.5%	1,410.9	2,059.3	-31.5%	2,047.8
Net liquidity[10]	MEUR	782.3	1,286.4	-39.2%	782.3	1,286.4	-39.2%	1,285.7
Net debt[11]	MEUR	-467.6	-1,080.5	+56.7%	-467.6	-1,080.5	+56.7%	-1,053.3
Net working capital[12]	MEUR	-435.6	-638.7	-31.8%	-435.6	-638.7	-31.8%	-631.5
Capital employed[13]	MEUR	584.1	-78.7	-8.4	584.1	-78.7	-8.4	-36.2
Gearing[14]	%	-48.6	-109.2	-	-48.6	-109.2	-	-101.9
EBITDA margin	%	5.5	7.7	-	6.1	8.0	-	8.1
EBITA margin	%	4.0	6.5	-	4.6	6.8	-	6.9
EBIT margin	%	2.8	6.0	-	3.3	6.4	-	6.5
Net income[15]/sales	%	1.9	4.5	-	2.1	4.6	-	4.7
EV[16]/EBITDA	-	16.3	11.5	-	40.1	32.5	-	9.0
Depreciation and amortization/sales	%	2.7	1.7	-	2.8	1.7	-	1.6

1) EBIT (Earnings Before Interest and Taxes)/sales 2) Earnings Before Interest, Taxes, Depreciation and Amortization 3) Earnings Before Interest, Taxes, Amortization of identifiable assets acquired in a business combination and recognized separately from goodwill at the amount of 50,827 TEUR (18,023 TEUR for Q1-Q3 2012, 22,942 TEUR for 2012) and impairment of goodwill at the amount of 0 TEUR (0 TEUR for Q1-Q3 2012, 397 TEUR for 2012) 4) Additions to intangible assets and property, plant, and equipment 5) Total shareholders' equity incl. non-controlling interests 6) Shareholders' equity/total assets 7) EBT (Earnings Before Taxes)/shareholders' equity 8) EBIT (Earnings Before Interest and Taxes)/total assets 9) Cash and cash equivalents plus marketable securities plus loans against borrowers' notes 10) Liquid funds plus fair value of interest rate swaps minus financial liabilities 11) Interest bearing liabilities including provisions for severance payments, pensions, and jubilee payments minus cash and cash equivalents, marketable securities and loans against borrowers' notes 12) Non-current receivables plus current assets (excluding cash and cash equivalents as well as marketable securities and loans against borrowers' notes) minus other non-current liabilities and current liabilities (excluding financial liabilities and provisions) 13) Net working capital plus intangible assets and property, plant, and equipment 14) Net debt/total shareholders' equity 15) Net income (including non-controlling interests) 16) EV (Enterprise Value): market capitalization based on closing price as of end of period minus net liquidity

All figures according to IFRS. Due to the utilization of automatic calculation programs, differences can arise in the addition of rounded totals and percentages. MEUR = million euros. TEUR = thousand euros.

The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013; no pro forma figures are available for the reference periods of last year.

The FEED & BIOFUEL business area was allocated to the SEPARATION business area as of January 1, 2013. The reference figures for the previous year were adjusted accordingly.

KEY FINANCIAL FIGURES OF THE BUSINESS AREAS

HYDRO	Unit	Q1-Q3 2013	Q1-Q3 2012	+/-	Q3 2013	Q3 2012	+/-	2012
Order intake	MEUR	1,221.6	1,504.6	-18.8%	367.3	391.4	-6.2%	2,008.4
Order backlog (as of end of period)	MEUR	3,637.4	3,944.6	-7.8%	3,637.4	3,944.6	-7.8%	3,842.3
Sales	MEUR	1,301.5	1,245.7	+4.5%	450.9	438.7	+2.8%	1,836.8
EBITDA	MEUR	121.2	114.0	+6.3%	45.0	39.3	+14.5%	182.4
EBITDA margin	%	9.3	9.2	-	10.0	9.0	-	9.9
EBITA	MEUR	99.3	92.4	+7.5%	38.0	32.1	+18.4%	153.2
EBITA margin	%	7.6	7.4	-	8.4	7.3	-	8.3
Employees (as of end of period; without apprentices)	-	7,712	7,534	+2.4%	7,712	7,534	+2.4%	7,469

PULP & PAPER	Unit	Q1-Q3 2013	Q1-Q3 2012	+/-	Q3 2013	Q3 2012	+/-	2012
Order intake	MEUR	1,417.3	1,523.3	-7.0%	602.3	542.1	+11.1%	1,962.4
Order backlog (as of end of period)	MEUR	1,956.0	2,088.7	-6.4%	1,956.0	2,088.7	-6.4%	2,018.1
Sales	MEUR	1,456.7	1,724.8	-15.5%	524.5	561.1	-6.5%	2,282.2
EBITDA	MEUR	8.2	121.7	-93.3%	-1.8	43.2	-104.2%	156.2
EBITDA margin	%	0.6	7.1	-	-0.3	7.7	-	6.8
EBITA	MEUR	-9.2	106.0	-108.7%	-7.7	37.9	-120.3%	134.6
EBITA margin	%	-0.6	6.1	-	-1.5	6.8	-	5.9
Employees (as of end of period; without apprentices)	-	7,075	6,677	+6.0%	7,075	6,677	+6.0%	6,774

METALS*	Unit	Q1-Q3 2013	Q1-Q3 2012	+/-	Q3 2013	Q3 2012	+/-	2012
Order intake	MEUR	958.3	270.8	+253.9%	423.8	159.5	+165.7%	324.2
Order backlog (as of end of period)	MEUR	1,500.3	512.3	+192.9%	1,500.3	512.3	+192.9%	451.4
Sales	MEUR	962.9	294.4	+227.1%	413.7	117.7	+251.5%	404.7
EBITDA	MEUR	90.2	19.3	+367.4%	45.1	8.7	+418.4%	28.0
EBITDA margin	%	9.4	6.6	-	10.9	7.4	-	6.9
EBITA	MEUR	74.7	17.6	+324.4%	37.4	8.0	+367.5%	25.1
EBITA margin	%	7.8	6.0	-	9.0	6.8	-	6.2
Employees (as of end of period; without apprentices)	-	6,309	1,146	+450.5%	6,309	1,146	+450.5%	1,129

* The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013 and is allocated to the METALS business area. No pro forma figures are available for the reference periods of last year.

SEPARATION*	Unit	Q1-Q3 2013	Q1-Q3 2012	+/-	Q3 2013	Q3 2012	+/-	2012
Order intake	MEUR	454.1	494.5	-8.2%	131.9	145.8	-9.5%	629.4
Order backlog (as of end of period)	MEUR	370.8	384.2	-3.5%	370.8	384.2	-3.5%	303.0
Sales	MEUR	423.5	438.5	-3.4%	145.4	148.1	-1.8%	653.2
EBITDA	MEUR	9.7	31.1	-68.8%	5.0	10.2	-51.0%	52.0
EBITDA margin	%	2.3	7.1	-	3.4	6.9	-	8.0
EBITA	MEUR	2.2	26.1	-91.6%	2.4	8.5	-71.8%	44.9
EBITA margin	%	0.5	6.0	-	1.7	5.7	-	6.9
Employees (as of end of period; without apprentices)	-	2,843	2,329	+22.1%	2,843	2,329	+22.1%	2,493

* The FEED & BIOFUEL business area was allocated to the SEPARATION business area as of January 1, 2013. The reference figures for the previous year were adjusted accordingly.

MANAGEMENT REPORT

GENERAL ECONOMIC CONDITIONS

Economic activities in the world's major industrial regions showed further signs of recovery in the third quarter of 2013.

In the USA, growth continued in both the manufacturing industry and the service sector, while private consumption remained stable at a favorable level. The unemployment rate fell to 7.3% in August 2013; economic experts expect a further drop to 7.0% by the end of the year. The US Federal Reserve has announced that it will not be changing its monetary policy until further notice and will continue to purchase bonds in the amount of 85 billion US dollars every month.

The economy in Europe has also continued its recovery. The economic data published give reason to expect a continuation of the – albeit slight – recovery in the coming quarters. Experts also expect the peripheral countries in southern Europe to continue to grow.

In the emerging markets, economic development differed regionally. While the economy in China saw further recovery during the reporting period as a result of rising exports and increasing industrial production, economic performance in Brazil and India continued to stagnate. In Brazil in particular, large cash outflows by foreign investors led to a massive depreciation of the local currency. The more restrictive interest policy pursued by the Central Bank as a result of this development had a strong negative effect on industrial and private capital expenditure. There were also similar developments in other emerging markets (e.g. Indonesia).

Sources: research reports by various banks, OECD

BUSINESS DEVELOPMENT

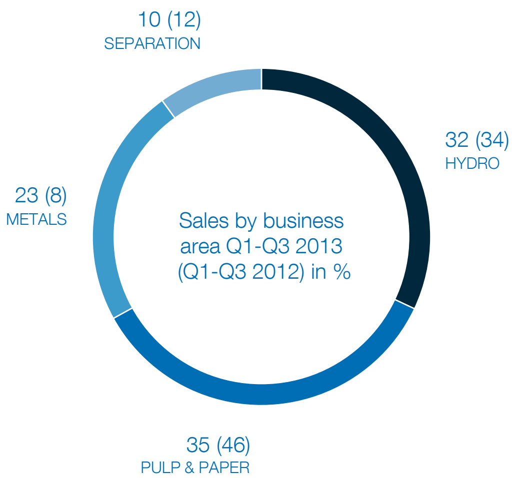
Notes

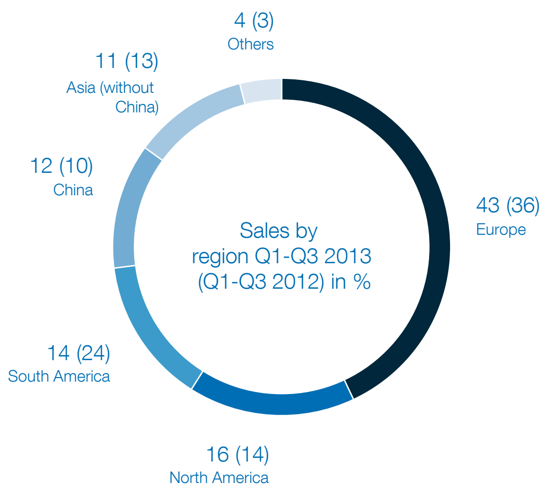
- All figures according to IFRS
- Due to the utilization of automatic calculation programs, differences can arise in the addition of rounded totals and percentages.
- MEUR = million euros; TEUR = thousand euros
- The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013; no pro forma figures are available for the reference periods of last year. Schuler is allocated to the METALS business area.
- The FEED & BIOFUEL business area was allocated to the SEPARATION business area as of January 1, 2013. The reference figures for the previous year were adjusted accordingly.

Sales

In the third quarter of 2013, sales of the ANDRITZ GROUP amounted to 1,534.5 MEUR, which is an increase of 21.3% compared to last year's reference period (Q3 2012: 1,265.5 MEUR). This increase is due to the consolidation of the Schuler Group, which contributed 333.9 MEUR to sales; excluding Schuler, sales would have declined by 5.1%. While sales in the HYDRO business area rose slightly compared to the third quarter of 2012 (+2.8%), sales in the PULP & PAPER business area dropped by 6.5% due to high sales contributions by two large-scale pulp mill projects in last year's reference period. The METALS business area noted a significant increase in sales due to consolidation of the Schuler Group; excluding Schuler, sales in the METALS business area dropped by 32.2%. In the SEPARATION business area, sales declined slightly by 1.8% compared to the previous year's reference period.

In the first three quarters of 2013, sales of the Group amounted to 4,144.6 MEUR, thus rising by 11.9% compared to the previous year's reference period (Q1-Q3 2012: 3,703.3 MEUR); excluding consolidation of the Schuler Group, sales amounted to 3,436.6 MEUR, declining by 7.2% compared to the first three quarters of 2012.





Share of service sales of Group and business area sales in %

	Q1-Q3 2013	Q1-Q3 2012	Q3 2013	Q3 2012
ANDRITZ GROUP	28	26	27	26
HYDRO	25	24	24	26
PULP & PAPER	36	27	33	28
METALS	17	6	19	6
SEPARATION	40	37	40	38

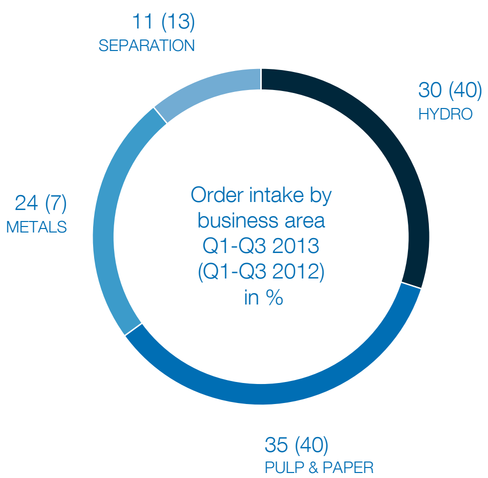
Order intake

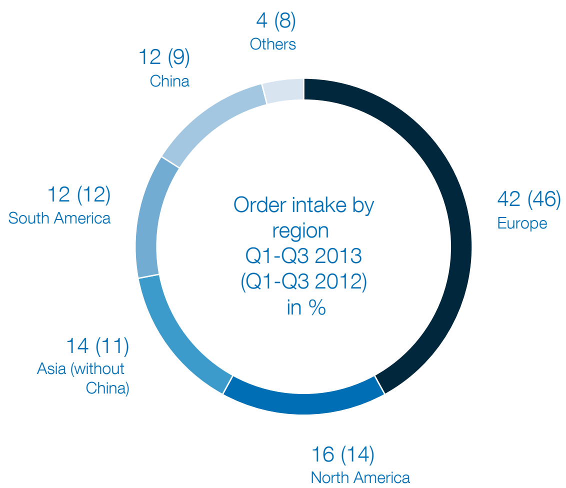
Order intake of the ANDRITZ GROUP in the third quarter of 2013, at 1,525.3 MEUR, rose by 23.1% compared to last year's reference period (Q3 2012: 1,238.8 MEUR), with the Schuler Group contributing 326.8 MEUR. The business areas' development in detail:

- HYDRO: At 367.3 MEUR, order intake declined by 6.2% compared to the good level of the previous year's reference period (Q3 2012: 391.4 MEUR).
- PULP & PAPER: The order intake amounted to 602.3 MEUR; this high figure is due to a large order in Chile (for details, refer to the section on the PULP & PAPER business area). Thus, the order intake rose by 11.1% compared to the third quarter of 2012 (542.1 MEUR).
- At 423.8 MEUR, order intake saw very positive development in the METALS business area (Q3 2012: 159.5 MEUR). This sharp increase is due to the consolidation of the Schuler Group.
- SEPARATION: The order intake amounted to 131.9 MEUR, thus declining by 9.5% compared to last year's reference period (Q3 2012: 145.8 MEUR).

In the first three quarters of 2013, the Group order intake, at 4,051.3 MEUR, increased by 6.8% compared to the previous year's reference figure (Q1-Q3 2012: 3,793.2 MEUR). The Schuler Group contributed 657.8 MEUR; excluding the consolidation of Schuler, order intake of the Group would have declined by 10.5% compared to the previous year's reference period. With the exception of METALS, order intake fell in all business areas:

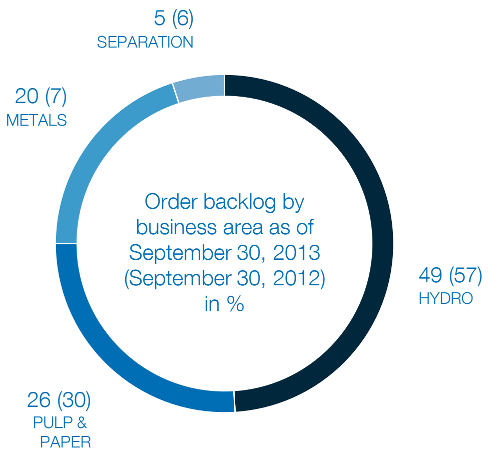
	Q1-Q3 2013 (MEUR)	Q1-Q3 2012 (MEUR)	+/- (in %)
HYDRO	1,221.6	1,504.6	-18.8
PULP & PAPER	1,417.3	1,523.3	-7.0
METALS	958.3	270.8	+253.9
SEPARATION	454.1	494.5	-8.2

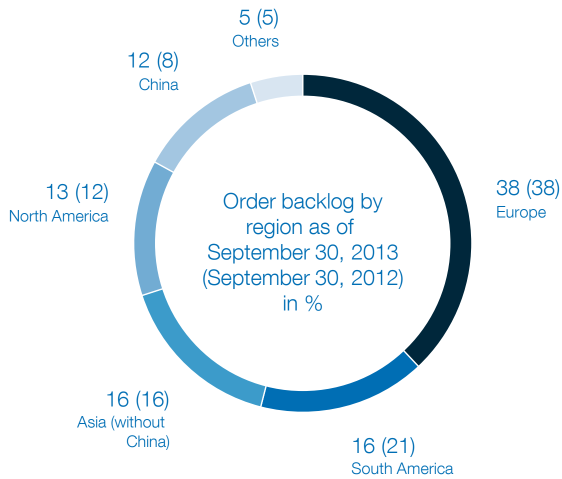




Order backlog

As of September 30, 2013, the order backlog of the ANDRITZ GROUP, at 7,464.5 MEUR, rose by 12.8% compared to the end of last year (December 31, 2012: 6,614.8 MEUR). The Schuler Group contributed 1,088.4 MEUR to the order backlog.





Earnings

The EBITA of the Group amounted to 70.1 MEUR in the third quarter of 2013, thus declining by 19.0% compared to last year's reference period (Q3 2012: 86.5 MEUR). The EBITA margin amounted to 4.6% (Q3 2012: 6.8%). This significant decline is mainly due to decreasing earnings in the PULP & PAPER business area (additional provisions in the low double-digit million euros range due to cost overruns in connection with the supply of production technologies and equipment for a pulp mill in South America) and the SEPARATION business area (additional costs related to technical problems in connection with the market launch of a new product series in China). Earnings of the other business areas saw satisfactory development. In the HYDRO business area, the EBITA increased by 18.4% compared to the previous year's reference period, reaching 38.0 MEUR (Q3 2012: 32.1 MEUR), while the EBITA margin amounted to 8.4% (Q3 2012: 7.3%). Due to the consolidation of Schuler, the METALS business area noted a rise in EBITA to 37.4 MEUR (Q3 2012: 8.0 MEUR) and in the EBITA margin to 9.0% (Q3 2012: 6.8%).

In the first three quarters of 2013, the Group's EBITA amounted to 167.0 MEUR (-31.0% versus Q1-Q3 2012: 242.1 MEUR) and the EBITA margin to 4.0% (Q1-Q3 2012: 6.5%). This significant decline is mainly due to decreasing earnings in the PULP & PAPER business area (in the first quarter of 2013, a provision in the mid-double-digit million euros range was made for cost overruns in connection with the supply of production technologies and equipment for a pulp mill in Uruguay) and in the SEPARATION business area.

The financial result in the first three quarters of 2013 declined significantly to -5.4 MEUR (Q1-Q3 2012: 7.0 MEUR). This decline is mainly due to expenses for the interest rate swap related to the corporate bond issue in 2012, as well as the general drop in interest rates and the reduced average net liquidity compared to the reference period of last year.

Net income of the ANDRITZ GROUP (excluding non-controlling interests) in the first three quarters of 2013 amounted to 78.8 MEUR and was thus significantly below the reference figure for the previous year (-52.9% versus Q1-Q3 2012: 167.2 MEUR).

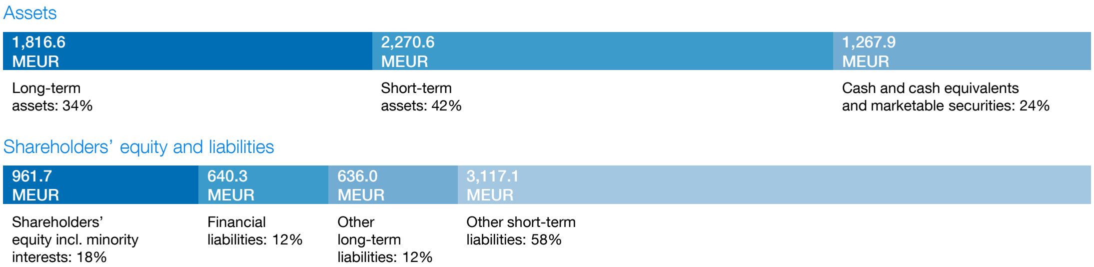
Net worth position and capital structure

Due to the first-time consolidation of Schuler, the total assets of the ANDRITZ GROUP increased to 5,355.1 MEUR (December 31, 2012: 5,161.0 MEUR). As a result, the equity ratio declined to 18.0% (December 31, 2012: 20.0%).

Liquid funds (cash and cash equivalents plus marketable securities plus loans against borrowers' notes) amounted to 1,410.9 MEUR (December 31, 2012: 2,047.8 MEUR). The net liquidity (liquid funds plus fair value of interest rate swaps minus financial liabilities), at 782.3 MEUR, was substantially below the value as of December 31, 2012 (1,285.7 MEUR).

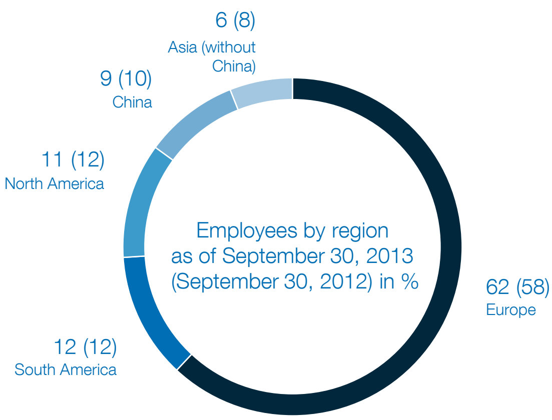
In addition to the high net liquidity, the ANDRITZ GROUP also has the following credit and surety lines for performance of contracts, down payments, guarantees, and so on, at its disposal:

- Credit lines: 339 MEUR, thereof 112 MEUR utilized
- Surety and guarantee lines: 5,447 MEUR, thereof 2,916 MEUR utilized



Employees

The ANDRITZ GROUP had a total of 23,939 employees as of September 30, 2013 (17,865 employees as of December 31, 2012). This sharp increase is mainly due to the first-time consolidation of Schuler (5,227 employees as of September 30, 2013).



Major risks during the remaining months of the financial year and risk management

The ANDRITZ GROUP has a long-established Group-wide risk management system whose goal is to identify nascent risks early and to take countermeasures if necessary. This is an important element of active risk management within the Group. However, there is no guarantee that the monitoring and risk control systems are sufficiently effective.

The essential risks for the business development of the ANDRITZ GROUP relate above all to the Group's dependence on the general economic environment and the development of the industries it serves, to whether major orders are received and to the risks they entail; and to whether adequate sales proceeds are realized from the high order backlog. Furthermore, unexpected cost increases during the execution of orders constitute a considerable risk, particularly in so-called turnkey or EPC orders, where the Group also assumes responsibility for engineering, civil work, and erection of a factory in addition to delivery of equipment and systems from ANDRITZ. Projects of this kind entail high risks relating to cooperation with third parties contracted to carry out engineering, civil and construction work (for example the risk of strikes or failure to meet deadlines). Delays and difficulties in achieving the guaranteed performance parameters in the plants that ANDRITZ supplies also present substantial risks.

Ongoing strikes on the site of a pulp mill in South America, for which ANDRITZ is supplying production technology and equipment on EPC basis, may lead to further delays in the start-up. This could lead to further financial provisions in addition to the provisions already made.

A possible malfunction in the components and systems supplied by ANDRITZ can have serious consequences for individuals and on material assets. The financial difficulties and the continuing challenging overall economic development (particularly in Europe and the USA) also constitute a serious risk for the ANDRITZ GROUP's financial development. In addition, a possible stronger slowdown in economic activities in the emerging markets also presents a risk to the Group. The weak economy may lead to delays in the execution of existing orders and to the postponement or cancellation of existing projects. Cancellations of existing contracts could adversely affect the ANDRITZ GROUP's order backlog, which would in turn have a negative impact on the utilization of the Group's manufacturing capacities.

Complete or partial goodwill impairments resulting from acquisitions may also influence the earnings development of the ANDRITZ GROUP if the targeted financial goals for these companies cannot be reached. In addition, there is always some risk that partial or full provisions will have to be made for some trade accounts receivable.

As of March 1, 2013, the Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP. As Schuler derives approximately 80% of its sales from the automotive industry, which is generally exposed to severe cyclical swings, this acquisition may possibly also have an adverse impact on the development of sales and earnings of the ANDRITZ GROUP. In addition, financial provisions for continuation of the "Growing Together" growth and strategy program initiated by Schuler in 2011 to integrate the Müller-Weingarten company will also have a negative impact on the earnings of Schuler and thus on the earnings of the ANDRITZ GROUP in 2013 and 2014.

The Group endeavors to mitigate the risk of payment failure by customers as best possible by means of bank guarantees and export insurance. However, there is no guarantee that there will not be any individual payment failures that will have a substantial negative impact on earnings development of the Group if they do occur. Risks related to deliveries to countries with medium to high political risks typically are also insured to a large extent. However, the requirements for full hedging of these risks are not always available. Exchange rate risks in connection with the execution of the order backlog are minimized and controlled by derivative financial instruments, in particular by forward exchange contracts and swaps. Net currency exposure of orders in foreign currencies (mainly US dollars and Swiss francs) is hedged by forward contracts. Cash flow risks are monitored via monthly cash flow reports.

In order to minimize the financial risks as best possible and to enhance monitoring, control, and assessment of its financial and liquidity position, the ANDRITZ GROUP implemented both a comprehensive treasury policy and a transparent information system.

The ANDRITZ GROUP's position in terms of liquidity is very good, and the Group has high liquidity reserves. The Group avoids dependence on one single or only a few banks. To ensure independence, no bank will receive more than a certain defined amount of the business in any important product (cash and cash equivalents, financial liabilities, financial assets, guarantees, and derivatives). With this diversification, ANDRITZ is seeking to minimize the counterparty risk as best possible. Nevertheless, if one or more banks were to become insolvent, this would have a considerable negative influence on the earnings development and shareholders' equity of the ANDRITZ GROUP. In addition, the lowering of ANDRITZ's credit rating by several banks can limit the financial leeway available to ANDRITZ, particularly regarding sureties to be issued.

ANDRITZ pursues a risk-averse investment strategy. Cash is largely invested in low-risk financial assets, such as government bonds, government-guaranteed bonds, investment funds to cover pension obligations, loans against borrowers' notes insured by a certificate of deposit, or term deposits. However, turbulences on the international financial markets may lead to unfavorable price developments for various securities in which the Group has invested (for example, money market funds, bonds), or make them non-tradable. This could have an adverse effect on the ANDRITZ GROUP's financial result or shareholders' equity due to necessary depreciation or value adjustments. The crisis has also heightened the risk of default by some issuers of securities, as well as by customers. The Executive Board is informed at regular intervals of the extent and volume of current risk exposure in the ANDRITZ GROUP.

Due to the current sovereign debt crisis in the European Union, there is a risk of complete or partial collapse of the Euro zone and of a possible breakdown of the Euro currency system linked to it. Most likely, this would have a negative effect on the financial, liquidity, and earnings development of the ANDRITZ GROUP.

For further information on the risks for the ANDRITZ GROUP, see the ANDRITZ annual financial report 2012.

Impact of exchange rate fluctuations
Fluctuations in exchange rates in connection with the execution of the order backlog are largely hedged by forward rate contracts. In new projects, fluctuations in exchange rates may have a positive or a negative impact on the ANDRITZ GROUP's competitive position.

Information pursuant to Article 87 (4) of the (Austrian) Stock Exchange Act
During the reporting period, no major business transactions were conducted with related persons and companies.

Important events after September 30, 2013
At the end of October 2013, Schuler approved capacity adjustment and organizational measures in order to continue the "Growing Together" growth and strategy program initiated by Schuler in 2011 to integrate the Müller Weingarten company; these measures will be implemented over the next two years. The expenses anticipated in this respect are estimated at a total of around 50 MEUR, of which approximately 35 MEUR are expected to be booked as financial provision in 2013 and about 15 MEUR in the course of 2014.

The status of the global economy and the financial markets did not change substantially in the period between the date of the balance sheet and publication of the present report. The determining factors continue to be the economic weakness as well as the sovereign debt crises in Europe and the USA.

OUTLOOK
Leading economic experts do not expect any significant change in economic development for the coming months in the relevant regions. Most of the economic indicators show some stabilization at a low level, but give no reason to expect a sustained recovery of the global economy in the next few quarters.

In view of these expected general economic conditions, continuing subdued project activity is anticipated in the markets served by ANDRITZ (including the Schuler Group) in the remaining months of the 2013 business year. This probably also applies to individual large-scale projects already announced by customers.

Regarding cost overruns related to the supply of production technologies and equipment for a pulp mill, provisions that are necessary from today's point of view have been made. However, there is no guarantee that there will be no need for further provisions in the coming quarters.

On the basis of these expectations, the order backlog, and the consolidation of the Schuler Group as of March 1, 2013, the ANDRITZ GROUP expects a rise in sales in the 2013 business year compared to the previous year. However, due to the sharp earnings decline in the PULP & PAPER and SEPARATION business areas, as well as scheduled amortization of intangible assets related to the acquisition of Schuler and provisions in connection with structural improvement measures planned at Schuler, the net income will be significantly lower than last year's reference figure.

If the global economy suffers another severe setback in the coming months, this could have a negative impact on the ANDRITZ GROUP's business development. This could result in organizational and capacity adjustments, and thus possibly in financial provisions that could have a negative effect on earnings.

HYDRO

MARKET DEVELOPMENT

Global project activity for electromechanical equipment in hydropower plants was satisfactory in the third quarter of 2013. However, it was still substantially below the very high level of the previous years. In addition to various modernization and rehabilitation projects in Europe and North America, some new hydropower projects, particularly in South America and Africa, are expected to be implemented mid-term or are in the planning phase. Project activity was also good in the small-scale hydropower equipment and pumps sectors. The overall investment activity was subdued, with only some selective orders being awarded during the reporting period.

IMPORTANT EVENTS

Energji Ashta, an Albanian subsidiary of the Austrian utilities VERBUND and EVN, took over the Hydromatrix plant for the Ashta hydropower project. ANDRITZ HYDRO supplied a total of 90 Hydromatrix units for the two power plant stages Ashta 1 and Ashta 2. With 53 megawatts, Ashta is the most powerful Hydromatrix plant in the world. The Hydromatrix concept developed by the business area consists of a matrix of turbine generator unit modules that are pre-assembled and can be combined flexibly to form different power plant arrangements.

On behalf of the Kenya Electricity Generating Company, the Kindaruma hydropower project was successfully completed with the delivery of a new 24-megawatt unit and a 20% increase in output of two Kaplan turbines to 24 megawatts each. The two existing turbines have been in operation since 1968.

At Vattenfall's Moorburg coal-fired power plant, Germany, the main cooling water pumps for Blocks A and B as well as the hybrid cooling tower pumps for Block B started up successfully.

Three submersible motor pumps with an output of up to 4 megawatts each were handed over to a customer in China. The pumps, which are the largest of their kind worldwide, serve as emergency units in a mine, draining the mine quickly in the event of an accident.

IMPORTANT ORDERS

Volta River Authority signed a contract with ANDRITZ HYDRO for refurbishment of electromechanical equipment at Kpong hydropower plant, Ghana. The scope includes engineering, installation, and commissioning of four 45.7 megawatt Kaplan turbines, four generators, transformers, and additional equipment.

The business area was awarded an order by PT Perusahaan Listrik Negara, Indonesia, to supply four Francis turbines (output: 23 megawatts each), four generators, and additional equipment for the Peusangan hydropower plant.

As part of a consortium, ANDRITZ HYDRO received an order from Kalehan Enerji, Turkey, for the supply, installation, and commissioning of three 235-megavolt-ampere generators for the new hydropower plant to be built at Upper Kaleköy. The plant has a total output of 636 megawatts. With an annual output of around 1,470 gigawatt hours/year, it will cover the power demand for 150,000 households in Turkey.

POSCO Engineering and Construction Company ordered the supply, installation, and commissioning of the electromechanical equipment for Nam Lik 1 hydropower plant, Lao People's Democratic Republic. The scope of supply comprises two bulb turbines (32.3 megawatts each), horizontal generators, mechanical equipment, electrical installations, weirs, and auxiliary equipment. The electricity generated at Nam Lik 1 hydropower station will supply 200,000 people in Laos with electrical energy from renewable resources.

In the reporting period, numerous orders were booked in the small-scale hydropower sector, particularly in North and South America and in Asia. For example, the business area is supplying Nam Can Hydro Electric JSC with the entire electromechanical equipment, including turbine and generator, for Nam Can 2 small-scale power plant, Vietnam.

PULP & PAPER

MARKET DEVELOPMENT

The international pulp market saw overall solid development in the third quarter of 2013; however, the markets for long-fiber and short-fiber pulp developed differently.

The market for NBSK (Northern Bleached Softwood Kraft) long-fiber pulp proved to be relatively robust in spite of the usual rather weak summer months. In addition to the shutdowns for maintenance work normally scheduled for the summer in the northern hemisphere, there were some unscheduled technical breaks in production by individual pulp producers that resulted in a reduced supply. At the same time, the demand for pulp for tissue production as well as for packaging and specialty papers continued at a favorable level. As a result, the price of NBSK remained stable at a high level of about 860 US dollars per ton. The situation for short-fiber pulp, however, was quite different. Due to an oversupply, pulp producers were forced to grant price reductions in the summer months, with the result that the price of eucalyptus pulp fell from 840 US dollars per ton at the end of June 2013 to around 780 US dollars per ton at the end of September.

The market for pulping equipment remained solid in the third quarter of 2013. In addition to a number of modernization projects, there was also good project activity for new pulp mills. The competitive situation between pulping equipment suppliers remained very intense and the strong pricing pressure continued, particularly on large-scale projects.

IMPORTANT EVENTS

Ganzhou Hwagain Paper, China, experienced a quick start-up of its ANDRITZ PULP & PAPER tissue machine, which included shoe press technology. It took only 15 minutes from start-up of the stock pump to the first paper on the reel. The business area also delivered the stock preparation system and machine automation.

SFT Group, Russia, started up its paper machine, relocated from Finland and converted by ANDRITZ from white paper production to the production of higher quality packaging paper grades. In addition, the new stock preparation line delivered by ANDRITZ for OCC (Old Corrugated Containers) is also already in operation.

JKPM, India, started up its pulp mill after ANDRITZ completed a major modernization of the woodyard, fiberline, white liquor plant, evaporators, and recovery boiler. Tamil Nadu Newsprint and Paper, India, started up a three-loop deinking system.

The business area started up a circulating fluidized bed biomass boiler in South Korea for POSCO E&C. The end customer is Korean East West Power, a state-owned power utility.

A turnkey recovery boiler was started up at Mondi's Frantschach mill, Austria. ANDRITZ also started up a biomass steam boiler burning woody biomass and primary clarifier sludge at Graphic Packaging International, USA.

Nine Dragons Paper Industries, China, started up a line for processing OCC (Old Corrugated Containers) and two paper machine approach systems. Hebei Changtai, China, started up stock preparation equipment while Vipap Videm Krško, Slovenia, restarted its upgraded deinking line. The business area also started up stock preparation equipment for UMKA, Serbia, after an upgrade to a line which produces white-lined chipboard.

IMPORTANT ORDERS

Shin-Ei Paper, Japan, ordered two tissue machines with steel Yankees for a new mill.

Celulosa Beira Industrial (Celbi), Portugal, selected ANDRITZ to upgrade a pulp drying system, the cooking and screening plant, and add a pre-evaporator. The drying line currently holds the world record for the highest specific throughput per meter.

The business area received an order from Mjölby-Svartadalen Energi, Sweden, to supply a biomass-fired combined heat and power plant. The scope includes a bubbling fluidized bed boiler, fuel handling, flue gas cleaning, and a steam turbine with auxiliaries.

Empresa Eléctrica Guacolda, Chile, ordered three dry flue gas cleaning plants, four desalination systems, and a denitrification plant for its coal-fired steam power station.

From Xuan Yuan Industrial Development, the Chinese general contractor for the Dobrush project, Belarus, ANDRITZ received the order to supply mechanical pulp production equipment based on P-RC APMP technology, a woodyard, stock preparation and approach systems, and automation equipment.

Suzano Papel e Celulose, Brazil, ordered a new cooking plant and the upgrade of its evaporation systems to improve condensate quality. Included is a new methanol liquefaction plant.

Papelera Guipuzcoana de Zicuñaga, Spain, selected ANDRITZ to upgrade its evaporation plant. The delivery includes the first modular box-type surface condenser.

Mondi Richards Bay, South Africa, ordered ANDRITZ Sindus OPP (Optimization of Process Performance) services for its fiberline. Additional OPP contracts were signed with Smurfit Kappa, Austria, and Klabin, Brazil. Klabin also ordered new slasher decks in the woodyard.

Stora Enso, Sweden, selected the business area to supply a new sludge dewatering line, to rebuild an existing belt press, and to upgrade the cooking plant, screen room, and washing systems for the Skoghall mill.

Sappi Fine Paper, USA, awarded an upgrade of its lime reburning kiln, including the addition of a sector cooler.

Subsidiaries of Gold Hong Ye Paper Group, China, ordered stock preparation equipment for four different tissue machines and three mills.

From ZheJiang JingXing Paper, China, the business area received an order to deliver stock preparation and machine approach equipment to improve the quality of the customer’s paper products.

The wood-based product manufacturer ZRK Industries, Pakistan, and Hubei Songzi Hangsen Wood Industry, China, ordered the delivery of pressurized refining systems for new MDF plants.

Elektronikai Hulladékhasznosító, Hungary, ordered a turnkey recycling plant for waste electrical and electronic equipment and refrigeration systems from recently acquired ANDRITZ MeWa.

METALS

MARKET DEVELOPMENT

In spite of signs of a slowing demand, project activity in the metalforming sector for the automotive and automotive supplying industries was satisfactory in the third quarter of 2013.

Due to continuing overcapacities in the international steel/stainless steel industry and the weak demand for stainless steel caused by the general economic climate, project activity for plants and equipment for the production and processing of stainless steel strip remained very low during the reporting period. In contrast, there was satisfactory investment activity for industrial furnaces, particularly in the aluminum industry.

IMPORTANT EVENTS

Schuler presented a new 16,000-kilonewton drop forging press with ServoDirect technology at its location in Erfurt, Germany. The press offers shorter pressure dwell times and higher production capacity. With this innovative plant, built for an automobile manufacturer, the slide motion is now also freely programmable in the forging industry.

In a record time of just six weeks, ANDRITZ METALS completed the rebuild of electrical engineering and automation equipment for a two-high reversing rolling mill stand at Böhler Bleche, Austria. The modernized rolling mill, containing a fully automatic control and strip thickness gauge system, can produce an additional 2,000 tons of premium-grade stainless steel sheets annually.

IMPORTANT ORDERS

In order to expand its rail division, Karabük Iron & Steel Industry and Trade (Kardemir), Turkey, has ordered a Schuler manufacturing line for an annual production of up to 200,000 railway wheels. As the system supplier, Schuler is also delivering machining equipment, testing and inspection technology, and a heat treatment plant from ANDRITZ Maerz.

A German automobile manufacturer in the premium sector awarded Schuler an order to supply a tryout press with a pressing force of 25,000 kilonewtons. This press will be used to perform manual work on dies for the servo press line already ordered by the customer and also for overhaul work.

Schuler will manufacture a 6-stage press line with flywheel drive and Crossbar Feeder automation for a German automobile manufacturer in the premium sector in China. This is the sixth line of its kind to be ordered by this customer within four years. Large car body parts for a new vehicle are to be produced on this press line, which has a total pressing force of 81,000 kilonewtons.

Weser-Metall-Umformtechnik, Germany, ordered a servo press in tie-rod design with a pressing force of 20,000 kilonewtons and achieving up to 24 strokes per minute. The scope of supply also includes coil line, roll feed, and transfer. The company manufactures blanked and formed parts for the automotive and consumer goods industries.

Schuler is to supply a 25,000-kilonewton servo press in tie-rod design with transfer automation and magnetic belt conveyor to Beslag & Metall, Sweden. The supplier company manufactures steel plate parts up to a thickness of 10 millimeters, as well as structural components for the automotive industry.

Tubex, Germany, ordered another high-performance line for the production of aluminum monobloc aerosol cans for personal care products. The line will produce up to 240 cans per minute with a maximum diameter of 50 millimeters in an extrusion molding process. The plant comprises an impact extrusion press, automatic cutting and brushing unit, washing machine with dryer, internal coating machine with oven, coating and 9-color printing machine, as well as a necking machine with three intermediate accumulators.

ANDRITZ METALS will supply a new twin-chamber tempering plant comprising a fully automatic heat treatment plant, a charging system, and an automatically operated hardening device to Metal Ravne, Slovenia.

Henan Tongren Aluminum Industry, China, has commissioned ANDRITZ to supply twelve melting and holding furnaces for the production of very hard aluminum alloys.

Baosteel India ordered a laser welding system from ANDRITZ Soutec. The plant will be used for linear welding in the manufacture of steel parts for the automotive industry. ANDRITZ Soutec is also to supply a special resistance welding machine to Westfalia Metallschlauchtechnik, Germany, for welding gas-tight connecting tubes.

SEPARATION

MARKET DEVELOPMENT

Investment activity for solid/liquid separation equipment saw a varied development in the industries served by ANDRITZ during the third quarter of 2013. Driven by the growth in population and tightening environmental restrictions, investment and project activity in the municipal and industrial wastewater treatment sectors, and in the food industry, were relatively solid. Low project activity and several project delays and cancellations were noted in the chemical industry. Investment activity in the mining industry also continued to be very low. Project activity in the service sector was satisfactory, especially in North America and Australia.

Project activity in the animal feed industry was good, particularly in Asia, South America, and Europe, both for mill expansion projects and new greenfield plants. The special feed area (aquatic feed and pet food) showed reasonable project activity in Asia, Eastern and Western Europe, and South America.

IMPORTANT EVENTS

Several ANDRITZ separators for craft breweries in the USA, and a separator for tea production for a Chinese customer, were successfully started up.

After successful performance tests and achievement of all performance guarantees, the ANDRITZ biomass torrefaction demonstration plant in Frohnleiten, Austria, was sold to an operating consortium. The business area will continue to utilize the plant for testing purposes.

IMPORTANT ORDERS

The business area received an order to supply decanters for the water treatment plant of a large city in Romania. The plant has several ANDRITZ machines installed; their performance and the ANDRITZ service were decisive in the award of this new decanter order.

A repeat order was also received for the supply of a decanter centrifuge for the water treatment plant of the city of Singapore.

ANDRITZ has received the order to supply a thermal drying system for the municipal solid waste and refuse-derived fuel plant in Swindon, United Kingdom. The supply is based on recently acquired drying technology from Vandenbroek Thermal Processing, Netherlands.

One of the largest desalination plant operators in the Middle East awarded the business area an order to supply decanters and conveyers. The plant provides potable water for the city of Dubai.

Sarda Mines, India, ordered six membrane filter presses as well as engineering services for a complete filtration plant for the largest iron ore tailings dewatering plant in India. Also in India, seven membrane filter presses for dewatering of leached zinc slurry will be delivered to Binani Zinc.

One of the leading companies in the global agrochemical sector placed an order for a helical dryer for treating fungicides.

An order for the supply of pusher centrifuges was received from a leading paraxylene producer in China. These units will be installed in the customer's pilot plant.

For customers in the European beverage industry, the business area recently launched a new membrane filter for wine recovery from various process steps. This resulted in two orders for the dynamic crossflow filter, one in Italy and one in Bulgaria.

A dairy customer in Ireland ordered decanters for expansion of casein production capabilities in support of a growing dairy-based ingredient market.

In the animal feed area, several orders for new feed process lines were received from customers in Asia, South America, and Europe. Amongst numerous orders for fish feed extrusion lines, ANDRITZ secured the order to deliver high-capacity extrusion technology for a Chinese fish feed factory and a fish feed extrusion line for marine species from a customer in the Mediterranean region. Orders for pet food extrusion lines were received in South America and Europe.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of September 30, 2013 (condensed, unaudited)

(in TEUR)	September 30, 2013	December 31, 2012
ASSETS		
Intangible assets	352,520	101,110
Goodwill	506,696	317,775
Property, plant, and equipment	667,136	494,187
Shares in associated companies	557	555
Other investments	44,670	355,288
Trade accounts receivable	12,770	21,385
Other non-current receivables and assets	59,423	74,851
Deferred tax assets	172,781	121,579
Non-current assets	**1,816,553**	**1,486,730**
Inventories	612,702	405,317
Advance payments made	185,952	181,196
Trade accounts receivable	592,781	606,548
Cost and earnings of projects under construction in excess of billings	458,538	320,718
Other current receivables	420,695	342,122
Marketable securities	194,896	325,486
Cash and cash equivalents	1,072,967	1,492,848
Current assets	**3,538,531**	**3,674,235**
TOTAL ASSETS	**5,355,084**	**5,160,965**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	783,276	867,017
Equity attributable to shareholders of the parent	**923,752**	**1,007,493**
Non-controlling interests	**37,964**	**26,302**
Total shareholders' equity	**961,716**	**1,033,795**
Bonds - non-current	511,775	525,099
Bank loans and other financial liabilities - non-current	39,548	9,667
Obligations under finance leases - non-current	15,452	16,061
Provisions - non-current	424,161	312,226
Other liabilities - non-current	31,738	13,182
Deferred tax liabilities	180,127	93,912
Non-current liabilities	**1,202,801**	**970,147**
Bonds - current	0	186,654
Bank loans and other financial liabilities - current	72,384	51,797
Obligations under finance leases - current	1,133	1,364
Trade accounts payable	433,073	420,369
Billings in excess of cost and earnings of projects under construction	987,071	1,090,860
Advance payments received	133,571	63,759
Provisions - current	493,278	413,221
Liabilities for current taxes	27,975	50,740
Other liabilities - current	1,042,082	878,259
Current liabilities	**3,190,567**	**3,157,023**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**5,355,084**	**5,160,965**

CONSOLIDATED INCOME STATEMENT

For the first three quarters of 2013 (condensed, unaudited)

(in TEUR)	Q1-Q3 2013	Q1-Q3 2012	Q3 2013	Q3 2012
Sales	**4,144,623**	**3,703,335**	**1,534,552**	**1,265,499**
Changes in inventories of finished goods and work in progress	36,795	25,443	18,289	-13,578
Capitalized cost of self-constructed assets	2,116	1,026	497	793
	4,183,534	**3,729,804**	**1,553,338**	**1,252,714**
Other operating income	65,610	51,801	18,028	16,046
Cost of materials	-2,343,191	-2,202,833	-896,864	-735,960
Personnel expenses	-1,099,380	-830,968	-374,973	-277,344
Other operating expenses	-577,248	-461,695	-206,235	-154,051
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	**229,325**	**286,109**	**93,294**	**101,405**
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	-113,121	-62,065	-42,962	-20,499
Earnings Before Interest and Taxes (EBIT)	**116,204**	**224,044**	**50,332**	**80,906**
Income/expense from associated companies	-119	-997	-150	-222
Interest result	-6,274	6,318	-2,876	-125
Other financial result	996	1,634	676	594
Financial result	**-5,397**	**6,955**	**-2,350**	**247**
Earnings Before Taxes (EBT)	**110,807**	**230,999**	**47,982**	**81,153**
Income taxes	-33,242	-64,801	-15,262	-22,464
NET INCOME	**77,565**	**166,198**	**32,720**	**58,689**
Thereof attributable to:				
Shareholders of the parent	78,843	167,156	31,948	58,431
Non-controlling interests	-1,278	-958	772	258
Weighted average number of no-par value shares	103,319,114	103,236,656	103,477,846	103,260,229
Earnings per no-par value share (in EUR)	0.76	1.62	0.31	0.57
Effect of potential dilution of share options	927,780	795,866	443,109	888,954
Weighted average number of no-par value shares and share options	104,246,894	104,032,522	103,920,955	104,149,183
Diluted earnings per no-par value share (in EUR)	0.76	1.61	0.31	0.56

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the first three quarters of 2013 (condensed, unaudited)

(in TEUR)	Q1-Q3 2013	Q1-Q3 2012	Q3 2013	Q3 2012
Net income	**77,565**	**166,198**	**32,720**	**58,689**
Items that may be reclassified subsequently to profit or loss				
Currency translation adjustments, net of tax	-26,610	-8	-19,259	-1,454
Available for sale financial assets, net of tax	-734	-10,975	77	-12,505
Cash flow hedges, net of tax	-351	0	1,072	0
Items that will not be reclassified to profit or loss				
Actuarial gains/losses, net of tax	0	0	0	0
Other comprehensive income for the year	**-27,695**	**-10,983**	**-18,110**	**-13,959**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**49,870**	**155,215**	**14,610**	**44,730**
Thereof attributable to:				
Shareholders of the parent	54,756	158,060	15,909	44,791
Non-controlling interests	-4,886	-2,845	-1,299	-61

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the first three quarters of 2013 (condensed, unaudited)

	Attributable to shareholders of the parent							Non-controlling interests	Total shareholders' equity
(in TEUR)	Share capital	Capital reserves	Other retained earnings	IAS 39 reserve	Actuarial gains/losses	Currency translation adjustments	Total		
STATUS AS OF JANUARY 1, 2012	**104,000**	**36,476**	**774,104**	**189**	**-18,751**	**651**	**896,669**	**42,204**	**938,873**
Total comprehensive income for the year			167,156	-10,982		1,886	158,060	-2,845	155,215
Dividends			-113,551				-113,551	-3,936	-117,487
Changes from acquisitions								6,586	6,586
Changes concerning own shares			1,853				1,853		1,853
Other changes			4,695				4,695		4,695
STATUS AS OF SEPTEMBER 30, 2012	**104,000**	**36,476**	**834,257**	**-10,793**	**-18,751**	**2,537**	**947,726**	**42,009**	**989,735**
STATUS AS OF JANUARY 1, 2013	**104,000**	**36,476**	**909,120**	**695**	**-35,388**	**-7,410**	**1,007,493**	**26,302**	**1,033,795**
Total comprehensive income for the year			78,843	-1,071		-23,016	54,756	-4,886	49,870
Dividends			-123,738				-123,738	-638	-124,376
Changes from acquisitions			-6,756				-6,756	17,186	10,430
Changes concerning own shares			-2,689				-2,689		-2,689
Other changes			-5,287		-27		-5,314		-5,314
STATUS AS OF SEPTEMBER 30, 2013	**104,000**	**36,476**	**849,493**	**-376**	**-35,415**	**-30,426**	**923,752**	**37,964**	**961,716**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the first three quarters of 2013 (condensed, unaudited)

(in TEUR)	**Q1-Q3 2013**	**Q1-Q3 2012**
Cash flow from operating activities	-81,099	221,839
Cash flow from investing activities	70,529	-157,037
Cash flow from financing activities	-377,630	246,159
Change in cash and cash equivalents	**-388,200**	**310,961**
Change in cash and cash equivalents resulting from exchange rate fluctuation	-31,681	-1,756
Cash and cash equivalents at the beginning of the period	**1,492,848**	**1,169,888**
Cash and cash equivalents at the end of the period	**1,072,967**	**1,479,093**

The change in cash and cash equivalents resulting from exchange rate fluctuations according to IAS 7.28 should be presented separately. The reference figures for the previous year were adjusted accordingly.

CASH FLOWS FROM ACQUISITIONS OF SUBSIDIARIES*

For the first three quarters of 2013 (condensed, unaudited)

		Business area		**Total**	**Total**
(in TEUR)	**PP[1)]**	**ME[2)]**	**SE[3)]**	**Q1-Q3 2013**	**Q1-Q3 2012**
Intangible assets	2,191	295,712	5,435	303,338	30,547
Property, plant, and equipment	1,091	175,092	1,451	177,634	5,873
Inventories	7,505	159,922	6,389	173,816	6,876
Trade and other receivables	456	271,399	3,279	275,134	19,527
Liabilities excluding financial liabilities	-2,973	-725,721	-7,511	-736,205	-36,744
Non-interest bearing net assets	**8,270**	**176,404**	**9,043**	**193,717**	**26,079**
Cash and cash equivalents acquired	4,882	331,084	1,973	337,939	11,024
Fixed financial assets	366	2,626	0	2,992	797
Debt assumed	-18	-107,519	-2,433	-109,970	-11,362
Goodwill	0	187,499	3,293	190,792	19,247
Non-controlling interests	0	-28,787	-1,610	-30,397	-6,586
Total purchase price	**13,500**	**561,307**	**10,266**	**585,073**	**39,199**
Purchase price paid	-9,800	-411,152	-8,571	-429,523	-27,122
Cash and cash equivalents acquired	4,882	331,084	1,973	337,939	11,024
NET CASH FLOW	**-4,918**	**-80,068**	**-6,598**	**-91,584**	**-16,098**
Liabilities from purchase price not paid	-200	-1,700	-1,696	-3,596	-2,272
Fair value of investments held prior to acquisition	-3,500	-148,454	0	-151,954	-9,807
PURCHASE PRICE NOT PAID IN CASH	**-3,700**	**-150,154**	**-1,696**	**-155,550**	**-12,079**

* converted by using exchange rates as per dates of transaction
1) PP = PULP & PAPER
2) ME = METALS
3) SE = SEPARATION

The initial accounting for the businesses acquired in 2013 is based on preliminary figures. The final evaluation of the balance sheet items disclosed in the cash flows from acquisition will be carried out according the regulations of IFRS 3 (revised) “Business Combinations”.

The cash flows of the METALS business area are mainly attributable to the Schuler Group, Germany.

NOTES

Explanatory notes to the interim consolidated financial statements as of September 30, 2013

General
The interim consolidated financial statements as of September 30, 2013 were prepared in accordance with the principles set forth in the International Financial Reporting Standards (IFRS) – guidelines for interim reporting (IAS 34) – which are to be applied in the European Union. The accounting and valuation methods as of December 31, 2012 have been maintained without any change. For additional information on the accounting and valuation principles, see the consolidated financial statements as of December 31, 2012, which form the basis for this interim consolidated financial report.

Due to the utilization of automatic calculation programs, differences can arise in the addition of rounded totals and percentages.

The interim consolidated financial statements as of September 30, 2013 were neither subject to a complete audit nor to an audit review by an auditor.

Application of new standards
ANDRITZ applies the following new standards:
- Amendments to IAS 1: presentation of items of other comprehensive income
- IAS 19 (as revised in 2011): employee benefits
- Amendments to IAS 12: deferred tax recovery of underlying assets
- Amendments to IFRS 7: disclosures – offsetting financial assets and financial liabilities
- IFRS 13: fair value measurement

The amendments do not have a material impact on the interim consolidated financial statements.

Change in consolidated companies
The scope of consolidated financial statements changed as follows:

	Full consolidation	Equity method
Balance as of January 1, 2013	**117**	**4**
Acquisition of companies	34	0
Changes in consolidation type		
Additions	2	0
Disposals	-3	0
Reorganization	-2	0
Balance as of September 30, 2013	**148**	**4**

Acquisitions
The following companies were not, or only partially, included in the ANDRITZ GROUP's consolidated financial statements for the reference period January 1 to September 30, 2012:
Acquired in 2012
- ANDRITZ Bricmont Inc. (100%): furnace systems for the aluminum and steel industries
- ANDRITZ (Wuxi) Nonwoven Technology Co. Ltd. (100%), China: drylaid nonwovens systems, especially for applications in the textile and hygiene sectors
- Soutec AG, Switzerland (100%): supplier of laser and rolled seam resistance welding systems for the metalworking industry
- ANDRITZ Environmental Solutions Inc., USA (100%): flue gas cleaning systems for utilities and power generating industries
- Royal GMF-Gouda (Goudsche Machinefabriek), Netherlands (100%): drying systems for the food and chemical industries, and the environmental sector of municipalities

Acquired in 2013
- Shanghai Shende Machinery Co. Ltd., China (80%): plants for the production of animal/aquatic feed pelleting equipment for mid-size capacities
- Schuler Group, Germany (92.8% at closing of the takeover offer): machines, production lines, dies, process know-how, and services for the metalworking industry
- FBB Engineering GmbH, Germany (100%): burners and fireproof systems for the steel and aluminum industries
- ANDRITZ MeWa GmbH, Germany (100%): engineering and service of shredding and crushing machines and complete recycling plants

- Modul Group, Germany (further 50%): machines and plants for wood treatment; the first 50% have been acquired in 2010
- Certain assets of Vandenbroek Thermal Processing B.V., Netherlands: thermal sludge drying technologies

The estimated fair values of the assets and liabilities acquired in 2013 are assumed as follows:

(in TEUR)	**IFRS carrying amount**	**Fair value allocations**	**Fair value**
Intangible assets	8,244	295,094	303,338
Property, plant and equipment	157,634	20,000	177,634
Inventories	173,816	0	173,816
Trade and other receivables	275,134	0	275,134
Liabilities	-628,606	-107,599	-736,205
Non-interest bearing net assets	**-13,778**	**207,495**	**193,717**
Cash and cash equivalents	337,939	0	337,939
Financial assets	2,992	0	2,992
Financial liabilities	-109,970	0	-109,970
Goodwill	0	190,792	190,792
Non-controlling interests	-30,397	0	-30,397
Net assets	**186,786**	**398,287**	**585,073**

Acquisition of non-controlling interests

After obtaining a controlling interest in the Schuler Group in February 2013, ANDRITZ acquired additional shares. The ANDRITZ GROUP recognized this holding change as an equity transaction.

Seasonality

As a rule, the business of the ANDRITZ GROUP is not characterized by any seasonality.

Notes to the interim consolidated income statement

In the third quarter of 2013, sales of the ANDRITZ GROUP amounted to 1,534.5 MEUR, which is an increase of 21.3% compared to last year's reference period (Q3 2012: 1,265.5 MEUR). The EBIT reached 50.3 MEUR (Q3 2012: 80.9 MEUR).

In the first three quarters of 2013, sales of the ANDRITZ GROUP amounted to 4,144.6 MEUR, thus increased by 11.9% compared to last year's reference period (Q1-Q3 2012: 3,703.3 MEUR). The EBIT reached 116.2 MEUR (Q1-Q3 2012: 224.0 MEUR).

Notes to the consolidated statement of financial position

Total assets of the ANDRITZ GROUP as of September 30, 2013 increased to 5,355.1 MEUR, and were thus 194.1 MEUR higher than the figure as of December 31, 2012 (5,161.0 MEUR). The net working capital as of September 30, 2013 amounted to -435.6 MEUR (December 31, 2012: -631.5 MEUR).

During the current business year, ANDRITZ AG paid dividends in the amount of 123.7 MEUR for the 2012 business year. 410,600 shares were bought back and 740,361 shares were issued to ANDRITZ employees (mainly in connection with the exercise of share option programs) during the first three quarters of 2013.

Notes to the consolidated statement of cash flows

Cash flow from operating activities of the ANDRITZ GROUP amounted to -81.1 MEUR in the first three quarters of 2013 (Q1-Q3 2012: 221.8 MEUR). This decrease was mainly due to project-related changes in the working capital.

Cash flow from investing activities during the first three quarters of 2013 amounted to 70.5 MEUR (Q1-Q3 2012: -157.0 MEUR). The change resulted mainly from acquisitions (-91.6 MEUR in Q3 2013 versus -16.1 MEUR in Q1-Q3 2012), investments in tangible and intangible assets of -65.5 MEUR (Q1-Q3 2012: -52.3 MEUR), and net proceeds from the sale of financial securities (+227.6 MEUR in Q3 2013 versus -88.6 MEUR in Q1-Q3 2012).

Segment information

Segment information is prepared on the following basis:

Business areas

The ANDRITZ GROUP conducts its business activities through the following business areas:

- HYDRO (HY)
- PULP & PAPER (PP)
- METALS (ME)
- SEPARATION (SE)

The FEED & BIOFUEL business area was allocated to the SEPARATION business area as of January 1, 2013. The reference figures for the previous year have been adjusted accordingly.

Business area data as of September 30, 2013:

(in TEUR)	HY	PP	ME	SE	Transition	Total
Sales	1,301,516	1,456,665	962,907	423,535	0	4,144,623
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	121,215	8,221	90,233	9,656	0	229,325
Total assets	1,279,121	912,741	1,184,489	523,321	1,455,412	5,355,084
Total liabilities	1,208,956	976,083	517,361	269,261	1,421,707	4,393,368
Capital expenditure	26,519	16,647	17,635	4,674	0	65,475
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	25,440	24,505	49,194	13,982	0	113,121
Share of net profit/loss of associates	0	-119	0	0	0	-119
Shares in associated companies	0	557	0	0	0	557

Business area data as of September 30, 2012:

(in TEUR)	HY	PP	ME	SE	Transition	Total
Sales	1,245,712	1,724,782	294,390	438,451	0	3,703,335
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	113,986	121,712	19,319	31,092	0	286,109
Total assets	1,414,953	933,210	246,141	473,013	2,036,369	5,103,686
Total liabilities	1,424,931	1,084,552	213,258	244,895	1,146,315	4,113,951
Capital expenditure	33,764	12,158	1,076	5,342	0	52,340
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	29,186	22,018	3,493	7,368	0	62,065
Share of net profit/loss of associates	-872	-125	0	0	0	-997
Shares in associated companies	0	830	0	0	0	830

Fair value hierarchy

The levels of the fair value hierarchy and their application to financial assets and liabilities are described below:

- Level 1: Prices quoted in active markets for identical assets or liabilities.
- Level 2: Inputs other than prices quoted that can be observed for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on market data observed.

The following table allocates financial assets and liabilities measured at fair value to the three levels of the fair value hierarchy. It distinguishes fair value measurements by the significance of the inputs used and reflects the availability of market inputs observed when estimating fair values.

(in TEUR)	**Total as of September 30, 2013**	**thereof level 1**	**thereof level 2**	**thereof level 3**
FINANCIAL ASSETS				
At fair value through profit and loss - trading				
Derivatives	23,559	0	23,559	0
Embedded derivatives	21,653	0	21,653	0
Available for sale financial assets				
Investment securities	2,321	2,321	0	0
Marketable securities	194,896	194,896	0	0
Other receivables				
Derivatives (hedge accounting)	12,254		12,254	
	254,683	**197,217**	**57,466**	**0**
FINANCIAL LIABILITIES				
At fair value through profit and loss - trading				
Derivatives	25,535	0	25,535	0
Embedded derivatives	13,832	0	13,832	0
Other liabilities				
Derivatives (hedge accounting)	526	0	526	
	39,893	**0**	**39,893**	**0**

Important events after September 30, 2013

At the end of October 2013, Schuler approved capacity adjustment and organizational measures in order to continue the “Growing Together” growth and strategy program initiated by Schuler in 2011 to integrate the Müller Weingarten company; these measures will be implemented over the next two years. The expenses anticipated in this respect are estimated at a total of around 50 MEUR, of which approximately 35 MEUR are expected to be booked as financial provision still in 2013 and about 15 MEUR in the course of 2014.

DECLARATION PURSUANT TO ARTICLE 87 (1) OF THE (AUSTRIAN) STOCK EXCHANGE ACT

We hereby confirm that, to the best of our knowledge, the condensed interim financial statements of the ANDRITZ GROUP drawn up in compliance with the applicable accounting standards provide a true and fair view of the asset, financial, and earnings positions of the ANDRITZ GROUP, and that the management report provides a true and fair view of the asset, financial, and earnings positions of the ANDRITZ GROUP with regard to the important events of the first nine months of the financial year and their impact on the condensed interim financial statements of the ANDRITZ GROUP, and with regard to the major risks and uncertainties during the remaining three months of the financial year, and also with regard to the major business transactions subject to disclosure and concluded with related persons and companies.

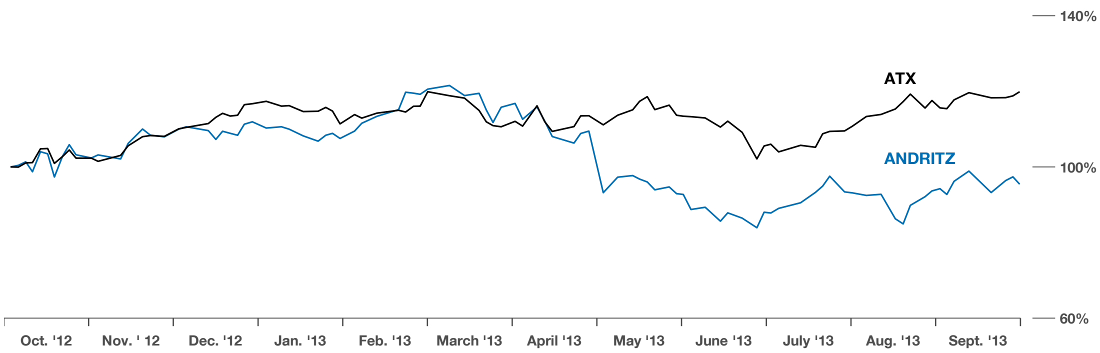
Graz, November 6, 2013

The Executive Board of ANDRITZ AG

Wolfgang Leitner	Karl Hornhofer	Humbert Köfler	Friedrich Papst	Wolfgang Semper
President and CEO	PULP & PAPER (Capital Systems)	PULP & PAPER (Service & Units), SEPARATION	METALS, HYDRO (Pumps)	HYDRO

SHARE

Relative price performance of the ANDRITZ share compared to the ATX (October 1, 2012-September 30, 2013)



Source: Vienna Stock Exchange

Share price development

Development of the international financial markets continued to be influenced by the euro and international debt crises and by the uncertain general economic environment during the first three quarters of 2013. In a continuing volatile stock exchange environment and due to various downgrades as a result of the unexpected, significant decline in earnings in the first quarter of 2013, the ANDRITZ share price declined by 13.6%. During the same period, the ATX, the leading share index on the Vienna Stock Exchange, increased by 2.1%.

The highest closing price of the ANDRITZ share during the reporting period was 54.94 EUR (March 11, 2013) and the lowest was 37.93 EUR (June 24, 2013).

Trading volume

The average daily trading volume of the ANDRITZ share (double count, as published by the Vienna Stock Exchange) was 326,011 shares (Q1-Q3 2012: 386,423 shares). The highest daily trading volume was noted on May 2, 2013 (4,659,374 shares), the lowest trading volume on January 21, 2013 (95,384 shares).

Investor Relations

During the third quarter of 2013, meetings with institutional investors and financial analysts were held in Frankfurt, London, Melbourne, Munich, New York, Paris, Tokyo, Toronto, San Francisco, Singapore, and Sydney.

Key figures of the ANDRITZ share	Unit	Q1-Q3 2013	Q1-Q3 2012	Q3 2013	Q3 2012	2012
Highest closing price	*EUR*	54.94	46.30	44.70	46.30	50.00
Lowest closing price	*EUR*	37.93	32.83	38.39	39.82	32.83
Closing price (as of end of period)	*EUR*	43.46	44.07	43.46	44.07	48.54
Market capitalization (as of end of period)	*MEUR*	4,519.3	4,583.3	4,519.3	4,583.3	5,048.2
Performance	*%*	-13.6	+34.2	+9.5	+7.5	+47.9
ATX weighting (as of end of period)	*%*	8.8773	11.4920	8.8773	11.4920	10.6128
Average daily number of shares traded	*Share unit*	326,011	386,423	329,193	277,338	345,754

Source: Vienna Stock Exchange

Basic data of the ANDRITZ share	
ISIN code	AT0000730007
First listing day	June 25, 2001
Types of shares	no-par value shares, bearer shares
Total number of shares	104 million
Authorized capital	None
Free float	About 70%
Stock exchange	Vienna (Prime Market)
Ticker symbols	Reuters: ANDR.VI; Bloomberg: ANDR, AV
Stock exchange indices	ATX, ATX five, ATX Global Players, ATXPrime, WBI

Financial calendar 2014

February 28, 2014	Results for the financial year 2013
March 21, 2014	Annual General Meeting
March 25, 2014	Ex-dividend
March 27, 2014	Dividend payment
May 6, 2014	Results for the first quarter of 2014
August 7, 2014	Results for the first half of 2014
November 6, 2014	Results for the first three quarters of 2014

At www.andritz.com/share you can find the online financial calendar with updates and information on the ANDRITZ share. At www.andritz.com/reports the ANDRITZ GROUP publishes all of its annual reports, annual financial reports, and quarterly reports.

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